

Consolidated Financial Results for 3rd Quarter of Fiscal Year Ended March 31, 2022



February 10, 2022



Mitsui E&S Holdings Co., Ltd.

3rd Quarter of FYE Mar. 2022 Results

◆ New Order	432.9 Billion Yen	(QoQ ↑)
◆ Net Sales	508.5 Billion Yen	(QoQ ↑)
◆ Ordinary Income (Loss)	(8.6) Billion Yen	(QoQ ↓)

FYE Mar. 2022 Forecast

◆ New Order	520.0 Billion Yen	(compared to Nov. 5, 2021 →)
◆ Net Sales	590.0 Billion Yen	(compared to Nov. 5, 2021 ↓)
◆ Ordinary Income (Loss)	(23.0) Billion Yen	(compared to Nov. 5, 2021 ↓)

Summary of Results

(JPY: Billion)

	FYE Mar. 2021 3Q	FYE Mar. 2022 3Q	Var.
New Order	369.1	432.9	+63.8
Net Sales	484.7	508.5	+23.8
Operating Income (Loss)	(5.1)	(9.4)	(4.3)
OP ratio	(1.1%)	(1.9%)	-
Ordinary Income (Loss)	(3.1)	(8.6)	(5.6)
OD ratio	(0.6%)	(1.7%)	-
Profit attributable to owners	(2.5)	(1.9)	+0.6

< Average FX >

USD/JPY	105.42	112.18
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Results Summary by Segment

(JPY: Billion)

	New Order			Net Sales		
	FYE Mar. 2021 3Q	FYE Mar. 2022 3Q	Var.	FYE Mar. 2021 3Q	FYE Mar. 2022 3Q	Var.
Ship	24.0	12.8	(11.2)	42.7	24.1	(18.6)
Ocean Development	178.2	270.7	+92.5	230.1	323.3	+93.2
Machinery	89.8	110.5	+20.7	111.8	107.6	(4.2)
Engineering	18.3	1.5	(16.7)	28.7	6.9	(21.8)
Other	58.9	37.4	(21.5)	71.5	46.6	(24.8)
Total	369.1	432.9	+63.8	484.7	508.5	+23.8

Results Summary by Segment

(JPY: Billion)

	Operating Income (Loss)			Ordinary Income (Loss)		
	FYE Mar. 2021 3Q	FYE Mar. 2022 3Q	Var.	FYE Mar. 2021 3Q	FYE Mar. 2022 3Q	Var.
Ship	(2.3)	(0.2)	+2.0	(0.7)	0.6	+1.3
Ocean Development	(10.8)	(8.1)	+2.7	(7.0)	(5.0)	+2.0
Machinery	5.5	3.6	(1.9)	5.7	3.8	(1.8)
Engineering	1.1	(5.4)	(6.5)	0.8	(5.9)	(6.7)
Other	1.4	0.7	(0.7)	(1.8)	(2.2)	(0.3)
Total	(5.1)	(9.4)	(4.3)	(3.1)	(8.6)	(5.6)

■ Status of large coal-fired power plant civil engineering construction projects

Project	Location	Progress toward Completion	
		2Q of FYE Mar.2022	3Q of FYE Mar.2022
1	Indonesia	approx. 82.6%	approx. 88.4%
	Trend in reserve balance	61.8Billion Yen	60.2Billion Yen
2	Indonesia	approx.99.8%	approx.100%

- The construction works have been carried out by implementing the appropriate infection prevention measures.
- Profit and loss on construction of Project 1 is within the scope of the provision for additional loss recorded in 2Q of FYE Mar. 2020.

■ From 3Q of FYE Mar. 2022

- Transferred two subsidiary companies from ship segment to other segment

Subsidiary	Previous Segment	New Segment	Details
Shikoku Dockyard Co., Ltd.	Ship	Other	Due to preparation for sell-off of Shikoku Dockyard Co., Ltd. shares in Jan. 2022
TGE Marine Gas Engineering GmbH	Ship	Other	Share and utilization of gas-related technologies and businesses throughout the company

Impact comparison by segment transfer

3Q of FYE Mar. 2022	New Order : 10.1 Billion Yen	Sales : 8.4 Billion Yen	Operating Income (Loss) : (1.4) Billion Yen
3Q of FYE Mar. 2021	New Order : 5.9 Billion Yen	Sales : 18.9 Billion Yen	Operating Income (Loss) : (0.2) Billion Yen

■ From 4Q of FYE Mar. 2022

- Due to partial sale of MODEC shares in Nov. 2021, shareholding ratio decreased from 50.1% to 49.1%
 - ➡ Change from consolidated subsidiary to equity-method affiliate

Impact to Financial Statement of Ocean Development segment

- Until 3Q of FYE Mar. 2022, MODEC remain as subsidiary company and new order, net sales, operating income(loss) and ordinary income(loss) are recorded as before.
- From 4Q of FYE Mar. 2022, MODEC will be an equity-method affiliate and 49.1% of net income(loss) will be recorded as ordinary income(loss).

Summary of FYE Mar. 2022 Forecast

(JPY: Billion)

	Previous Forecast (Nov. 5, 2021)	New Forecast (Feb. 10, 2022)	Var.
New Order	450.0~650.0	520.0	—
Net Sales	670.0	590.0	(80.0)
Operating Income (Loss)	(4.0)	(4.0)	—
Ordinary Income (Loss)	(5.0)	(23.0)	(18.0)
Profit attributable to owners	(3.0)	(21.0)	(18.0)
Free Cash Flow	(93.0)	(95.0)	(2.0)
Debt (with interest)	200.0	140.0	(60.0)

- Exchange rate assumption USD/JPY :110
- Impact for JPY1 appreciation against USD1 on operating income:
Negative impact of approx. 0.1 Billion Yen

Summary of FYE Mar. 2022 Forecast by Segment

(JPY : Billion)

	New Order			Net Sales		
	Previous Forecast (Nov. 5, 2021)	New Forecast (Feb. 10, 2022)	Var.	Previous Forecast (Nov. 5, 2021)	New Forecast (Feb. 10, 2022)	Var.
Ship	30.0	20.0	(10.0)	40.0	30.0	(10.0)
Ocean Development	200.0~400.0	270.0	—	400.0	320.0	(80.0)
Machinery	180.0	180.0	—	160.0	160.0	—
Engineering	0	0	—	20.0	20.0	—
Other	40.0	50.0	+10.0	50.0	60.0	+10.0
Total	450.0~650.0	520.0	—	670.0	590.0	(80.0)

Summary of FYE Mar. 2022 Forecast by Segment

(JPY : Billion)

	Operating Income (Loss)			Ordinary Income (Loss)		
	Previous Forecast (Nov. 5, 2021)	New Forecast (Feb. 10, 2022)	Var.	Previous Forecast (Nov. 5, 2021)	New Forecast (Feb. 10, 2022)	Var.
Ship	(3.0)	(1.0)	+2.0	(2.0)	0	+2.0
Ocean Development	(8.0)	(8.0)	—	(5.0)	(23.0)	(18.0)
Machinery	8.0	8.0	—	8.0	8.0	—
Engineering	(3.0)	(3.0)	—	(4.0)	(4.0)	—
Other	2.0	0	(2.0)	(2.0)	(4.0)	(2.0)
Total	(4.0)	(4.0)	—	(5.0)	(23.0)	(18.0)

Appendix) Summary of Income Statement

(JPY: Billion)

	FYE Mar. 2021 3Q	FYE Mar. 2022 3Q	Var.	
Net Sales	484.7	508.5	+23.8	Increased mainly due to FPSO building progress of MODEC
Gross Profit (Loss)	26.7	21.7	(5.1)	
Selling, general and administrative expenses	31.9	31.1	(0.8)	
Operation Income (Loss)	(5.1)	(9.4)	(4.3)	Decreased mainly due to cost effect of foreign currency
Other Income	9.3	7.7	(1.6)	
Other Expenses	7.3	7.0	(0.3)	
Ordinary Income (Loss)	(3.1)	(8.6)	(5.6)	
Extraordinary Gains	5.0	11.2	+6.2	Increased mainly due to sell-off of subsidiary company shares of Mitsui E & S Environmental Engineering Co.,Ltd.
Extraordinary Losses	6.0	2.4	(3.7)	
Profit (Loss) Before Taxes	(4.1)	0.3	+4.3	
Income Taxes	2.6	5.3	+2.8	
Non-Controlling Interest	(4.1)	(3.1)	+1.0	
Profit (Loss) attributable to owners of parent	(2.5)	(1.9)	+0.6	

Appendix) Summary of Balance Sheet

(JPY: Billion)

	FYE Mar. 2021 3Q	FYE Mar. 2022 3Q	Var.	
Total Assets	766.4	421.6	(344.9)	
(Cash)	137.6	46.8	(90.8)	
(Receivables)	234.0	73.8	(160.2)	Decreased mainly due to exclusion of MODEC from consolidated subsidiary
(Fixed Assets)	158.5	135.1	(23.4)	
(Other Assets)	128.8	91.1	(37.7)	
Total Liabilities	670.5	339.4	(331.1)	
(Payable)	215.2	48.8	(166.4)	Decreased mainly due to exclusion of MODEC from consolidated subsidiary
(Advances by Customers)	94.3	36.9	(57.5)	
(Provision for losses on construction contracts)	77.0	62.2	(14.9)	
(Debt (with interest))	164.5	130.3	(34.2)	
Net Assets	95.9	82.1	(13.8)	
(Own capital)	67.5	73.1	+5.6	Increased mainly due to currency exchange adjustment account
Capital-to-asset ratio	8.8%	17.3%		
Net DE Raito	0.4	1.1		

New Ship (Mitsui E&S Shipbuilding Co., Ltd.) (As of Dec. 31, 2021)

	New Order	Deliveries	Transfer	Backlogs
Commercial Ship	0	1	0	0
Government Ship· Other Ship	0	1	6	0
Total	0	2	6	0

Marine Diesel Engine (Mitsui E&S Machinery Co., Ltd.) (As of Dec. 31, 2021)

	FYE Mar. 2021 3Q		FYE Mar. 2022 3Q		FYE Mar. 2022 Forecast	
	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)
New Order	75	140	62	178	—	—
Deliveries	113	251	92	208	—	—
Back logs	59	133	38	91	—	—
Production	118	276	87	193	125	300



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